

MEMORANDUM

DATE: June 23, 2010

TO: Katherine Vasquez, Rules Coordinator
DSHS Rules and Policies Assistance Unit

FROM: Mike Tornquist, Program Manager
Policy, Program Development and Training Unit
Residential Care Services

SUBJECT: Small Business Economic Impact Statement and Cost-Benefit
Analysis for Proposed Amendments to Chapter 388-76 WAC,
Adult Family Homes

SUMMARY OF PROPOSED RULES

The Department of Social and Health Services' Residential Care Services (RCS) is proposing amendments to Chapter 388-76 WAC, Adult Family Homes.

The purpose of this proposed rule making is to promote improvements to the adult family home program.

Highlights of proposed changes:

- Amend the WAC to make it easier for residents and other interested persons to examine inspection and complaint investigation reports and cover letters;
- Increase the amount of notice providers will be required to give to residents and the department when a change of ownership occurs.

SMALL BUSINESS ECONOMIC IMPACT STATEMENT

Chapter 19.85 RCW, The Regulatory Fairness Act, requires that the economic impact of proposed regulations be analyzed in relation to small businesses. This statute outlines information that must be included in a Small Business Economic Impact Statement (SBEIS). Preparation of a SBEIS is required when a proposed rule has the potential of placing more than a minor impact on a business.

RCW 19.85.020 defines a "small business" as "any business entity, including a sole proprietorship, corporation, partnership, or other legal entity, that is owned and operated independently from all other businesses, and that has fifty or fewer employees."

RCS analyzed these proposed rules and concludes that there are no new requirements in these rules that will impose any new costs on adult family homes. RCS does not believe that the proposed rules will result in any job losses or gains for adult family homes. The proposed rule amendments do not disproportionately impact small businesses more than larger businesses.

EVALUATION OF PROBABLE COSTS AND PROBABLE BENEFITS

RCS has determined that some of the proposed rules are "significant legislative rules" as defined by legislature. As required by RCW 34.05.328(1) (c), RCS has analyzed the probable costs and probable benefits of the proposed amendments, taking into account both the qualitative and quantitative benefits and costs.

Costs

- The department does not anticipate that the proposed amended rules will increase costs for adult family home providers.
- DSHS shared the draft language and draft small business economic statement and cost benefit analysis with interested parties who are on the RCS Adult Family Home mailing list.
- In addition, the draft language and draft small business economic statement and cost benefit analysis was posted on the Aging and Disability Services Administration internet website for anyone in the public to review and comment.
- DSHS' process is to use the input from internal and external stakeholders to determine cost impacts for the drafting of the rule. To date, no comments have been received about costs for these proposed rules.

COST SAVINGS

The department does not anticipate that the proposed amended rules will decrease costs for adult family homes.

OTHER BENEFITS

The rules result in several benefits which include:

- The amendments help protect residents by making critical information about the home more easily accessible; and

- By increasing the amount of notice the provider must give residents before selling the adult family home, residents will have more time to exercise their right to decide if they want to stay in the home.

CONCLUSION

RCS concludes that the benefits of the proposed amendments exceed the possible cost.

These rules continue to implement state laws and regulations related to adult family homes. RCS has complied with the appropriate sections of the Administrative Procedure Act and is prepared to proceed with the rule filing.

Please contact me by email at torngmj@dshs.wa.gov or by telephone at (360) 725-3204 if you have questions.